GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1412
ANSWERED ON:08.03.2007
LNG DEAL WITH IRAN
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

:

(a) whether a High Powered Committee of Iran has confirmed the agreement for supply of LNG to India;

(b) if so, the details thereof;

(c) if not, whether any dispute has emerged in the said agreement between both the countries ;

(d) if so, whether Iran proposes to make some changes in the earlier agreement;

(e) if so, the main points of the changed proposal submitted by Iran;

(f) whether the Government has taken a decision to accept the changed proposal for the construction of pipe-line project; and

(g) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a)to(c): GAIL, IOC and BPCL have signed contracts with National Iranian Gas Export Company (NIGEC) on June 13, 2005 for import of 5 MMTPA LNG, which is scheduled to commence from 2009. Simultaneously, the parties also signed a side letter to the LNG SPA, as per which NIGEC had to obtain the approval of their parent company, National Iranian Oil Company (NIOC), for the sale purchase agreement (SPA) to become effective. NIGEC has informed that NIOC's Board has not given its approval till now.

(d)&(e) : The Foreign Minister of Iran discussed the issue with Minister (P&NG) during his visit to India on November 17, 2006. During the meeting, inter alia, the issue of price of LNG was discussed.

(f)&(g)Simultaneously, Government is also pursuing import of natural gas from Iran through Iran-Pakistan-India(IPI) gas pipeline project. In this regard, the 4th Tripartite Joint Working Group meeting of IPI Gas Pipeline Project between the three countries was held in Tehran, Iran on January 24-25, 2007. The gas price at Iran-Pakistan border was agreed between Iran and Pakistan side, subject to approval from the respective Governments. The Indian side agreed to respond within a period of four weeks. Subsequently, an Indian delegation participated in the 4th bilateral India-Pakistan Joint Working Group meeting on February 22-23, 2007 to discuss issues relating to transit of IPI Pipeline through Pakistan. Iran attended the meeting as an Observer.The issues pertaining to transportation tariff and transit fees for passage of gas through Pakistan were discussed in the meeting.